(b) if so, what are their demands and what action has been taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir. Ministry of Finance is in receipt of representations from weavers and yarn dealers of Andhra Pradesh; and

(b) The request made in these representations is to withdraw excise duty of 9.2% on cotton yarn, to waive Central Sales Tax (CST) & Sales Tax (ST) on handloom products, power loomproducts and apparel, to provide different rate of interest to these sectors and creation of separate bank, as subsidiary to NABARD exclusively for funding rural artisans. As regards duty on cotton yarn, in Union Budget 2004 proposals, announced on 8th July, 2004, exemption from excise duty on cotton yarn has been provided on optional basis. The manufactures of such yarn can either avail full exemption without availing Cenvat credit or pay excise duty at 4% and avail Cenvat credit. Sales Tax is a State subject. Central Sales Tax, though a central levy, is administered by States. As per the provisions of section 8(5) of CST Act, 1956, the State Governments can reduce the rate of CST to any rate lower than 4%, which can be availed on submission of 'C' Form. As regards introduction of different rate of interest for handlooms, powerlooms and apparel sector and creation of a separate subsidiary bank for the purposes of funding rural artisans, the information is being collected.

Crude Oil Stabilisation Fund

745. SHRI MANOJ BHATTACHARYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to answer to Unstarred Question 52 given in the Rajya Sabha on 6th July, 2004 and state:

(a) whether it is proposed to set-up a Crude Oil Stabilisation Fund to insulate customers against frequent increase in oil prices;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The policy for pricing of major petroleum products in under review.